
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

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RTO PROPOSALS OUTLINED AT KANSAS CITY WORKSHOP

More than 300 participants from all segments of the electric utility industry attended a Kansas City workshop arranged by the Federal Energy Regulatory Commission today, with the Commission workshop facilitator saying the panelists made imaginative and constructive proposals for developing Regional Transmission Organizations (RTOs) in the central region of the country.

Facilitator Kevin P. Madden, Deputy Director of the Office of Markets, Tariffs and Rates at the Commission, said: "I was very pleased that the panelists expressed a clear willingness to discuss these ideas and other issues with all market participants. Clearly, there is momentum building to develop RTO proposals consistent with Order No. 2000 and to file them with the Commission in a timely fashion."

The proposals included a suggestion for one RTO to extend from the Rocky Mountains in the West to the Mid-Atlantic region and from central Canada to the Gulf of Mexico. One participant proposing a for-profit transco said he understood that the transco might need to be part of a larger entity.

A group of marketers were reported to be working to develop a generic RTO design.

The workshop continues tomorrow.

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In December 1999, the Commission adopted Order No. 2000, its historic policy designed to further competition and bring lower prices to electric utility consumers through the voluntary development by transmission owners of RTOs. RTOs work to prevent the abuses of market power which hinder competition.

At that time, the Commission said it would undertake a collaborative process, of which the Kansas City workshop is a part. Commission staff are fully engaged with transmission owners, public and non-public utilities, as well as state officials and affected interest groups, in working toward the voluntary development of RTOs.

To accommodate the issues and concerns of the parties in each region, a unique agenda has been developed for each workshop. Each workshop has had a clear regional flavor.

In Order No. 2000, the Commission made clear that it was not favoring one form of RTO over another and would encourage flexibility in RTO formation. In addition, the Commission withheld judgment about whether existing Independent System Operators (ISOs) qualify as RTOs under the rule.

The Commission held its first regional workshop March 1 and 2 in Cincinnati. A second workshop was held in Philadelphia on March 15 and 16 and a third was held in Las Vegas March 23 and 24.

A final workshop is scheduled for Atlanta, Georgia, April 6 and 7.